

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Bald Hill Timber Sale is located within Section 36, T26N-R24W on the State's Kalispell Unit. Approximately 18,465 tons, consisting of Douglas-fir, grand fir, larch, spruce, and lodgepole sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **May 9, 2008 at 2:00 p.m.** Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. **DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.** Bids must be accompanied by a deposit of **\$13,851.00**, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within 45 calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), or the Northwestern Land Office in Kalispell (406-751-2240)

Visit our website at <http://www.dnrc.mt.gov> Online Services for upcoming sales and bid results

/s/ David A. Groeschl, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: April 9, 16, 23, 30, 2008

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Bald Hill			
Timber Sale Location: Section 36, T26N–R24W (10 air miles south of Marion, MT)			
For specific sale information, contact:			
Phone	406-751-2264	Mark Slaten	Kalispell Unit Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-751-2240	Northwestern Land Office	

General Bidding Information

1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of 45 days of notification of sale award. The bond amount will be, at a minimum, 20% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding.
10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above.
12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract are not guaranteed.
13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.
14. Other Products – The State is willing to consider the sale of Other Products as a part of this sale. The successful bidder should contact the Forest Officer for this sale or the Forest Management Bureau at (406-542-4209). Other products are defined as pulp, post & pole material, or other non-sawlog products.
15. Biomass – The State is willing to consider the sale of biomass material as a part of this sale. The successful bidder should contact the Forest Officer for this sale or the Forest Management Bureau at (406-542-4209). Biomass is defined as material that is generated by grinding logging slash

TABLE 1: Summary of Sale Specifications

Sale Data			
461	Net Sale Area (acres)	NA	Miles of road construction
December 31, 2010	Contract ending date	1.54	Miles of road reconstruction
NA	Cable logging required (% of volume)	NA	Miles of road reclamation or abandonment
Operating Season: Whenever soil conditions allow.			
Charges and Appraised Costs			
\$13,851.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$ N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$3.10	Collected Forest Improvement Fee (\$ per ton)		
\$9,540.25	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$15,072.75	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$ 0.25	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 0.26	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 0.05	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

TABLE 2: Timber Cruise Data and Minimum Bids

SPECIES	PP	DF	WL	LP	ES	GF	SAF	Dead/Dry	TOTAL or AVG
Minimum Acceptable Bid									\$15.00/ton
Pounds per cubic foot	62.0	61.7	58.3	56.0	57.0	60.0	55	40	60.1
Contract Tons (4.6" top DIB)	36.2	10,191.2	4,423.4	765.8	320.5	2,414.9	173.2	139.2	18,464.5
Gross MBF (Scribner 5.6" top DIB)	6.2	1,233.7	583.1	108.3	57.2	358.4	20.5	79.1	2,446.6
%Cull and Breakage	40	12	9	12	4	18	7	70	14%
Net MBF	3.7	1,081.7	529.7	95.7	55.1	294.0	19.1	18.5	2,097.4
Average logs per MBF	92.2	46.2	39.6	53.8	7.3	34.5	84.4	22	42.5
Average DBH	10	9.2	8.0	9.4	16.0	10.7	8.4	7.8	9.0
Average tons per acre harvested									40.05
Average MBF cut per acre on the timber sale									4.55
Range of cut trees per acre based on unit cruise									159
Calculated Sampling Error (net MBF): 10.8 %									
The total cruised volume will fall between 1,870.8 and 2,324 thousand net board feet in 9 out of 10 cruises									
Tons Per Thousand Board Feet:									
Timber character estimate – estimated tons Scribner per thousand Scribner board feet:									
7.51 tons per MBF = 15,744.6 estimated tons to a 5.6" top ÷ 2,097.4 net MBF Scribner - 5.6" top DIB.									
Contract value – estimated tons hauled per thousand Scribner board feet:									
8.80 tons per MBF = 18,464.5 estimated tons to a 4.6" top ÷ 2,097.4 net MBF Scribner – 5.6" top DIB. This value is the timber sale contract conversion factor and will be used for calculating FI fees and for reporting DNRC harvest totals.									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
1	36	461	18,465	2,097	December 31, 2010

Additional Sale Information: Contact Kalispell Unit office.

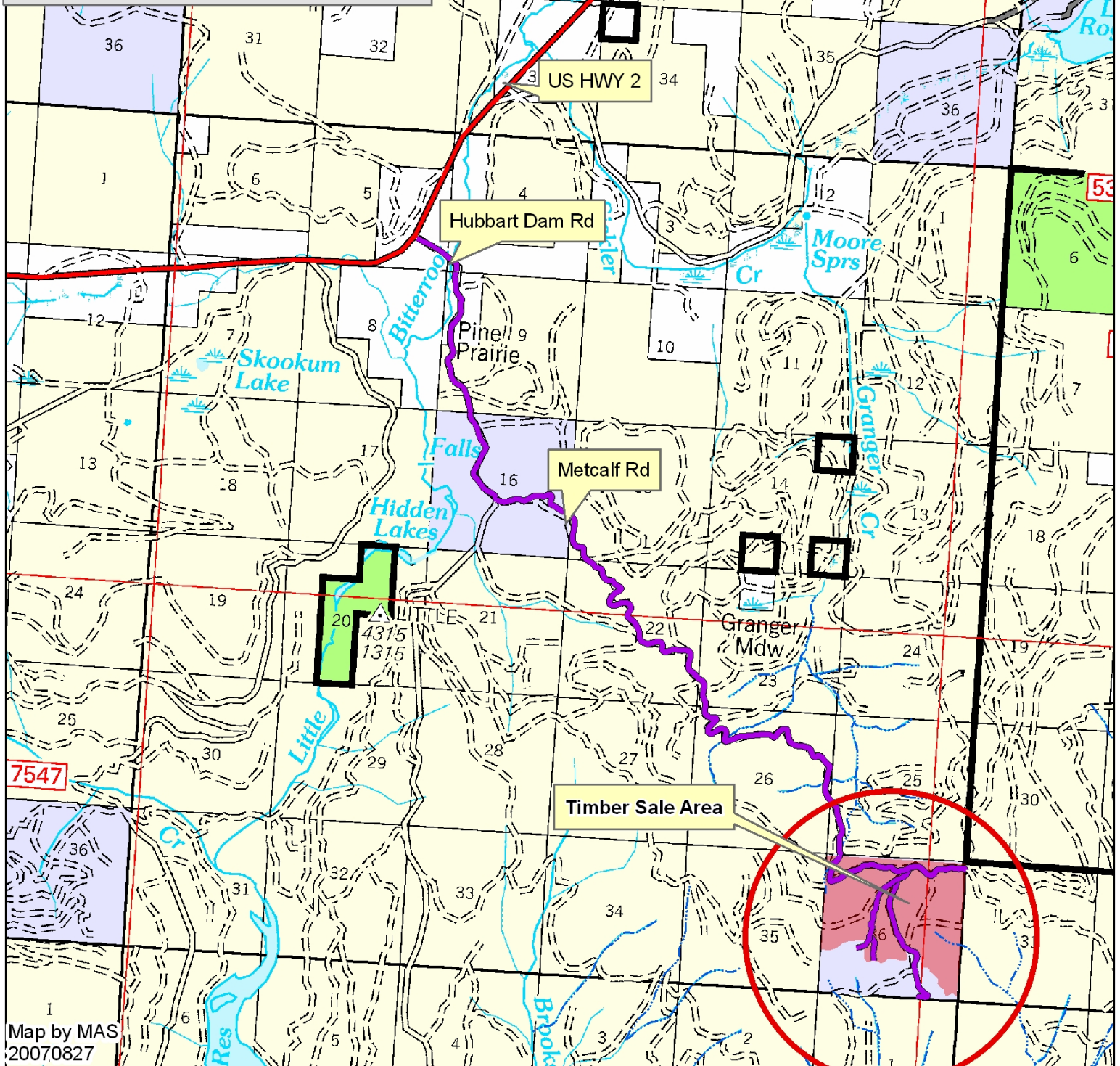
**Bald Hill Transportation Map
Kalispell Unit
T26N - R24W-Sec 36**

— Haul Route
— Harvest Unit

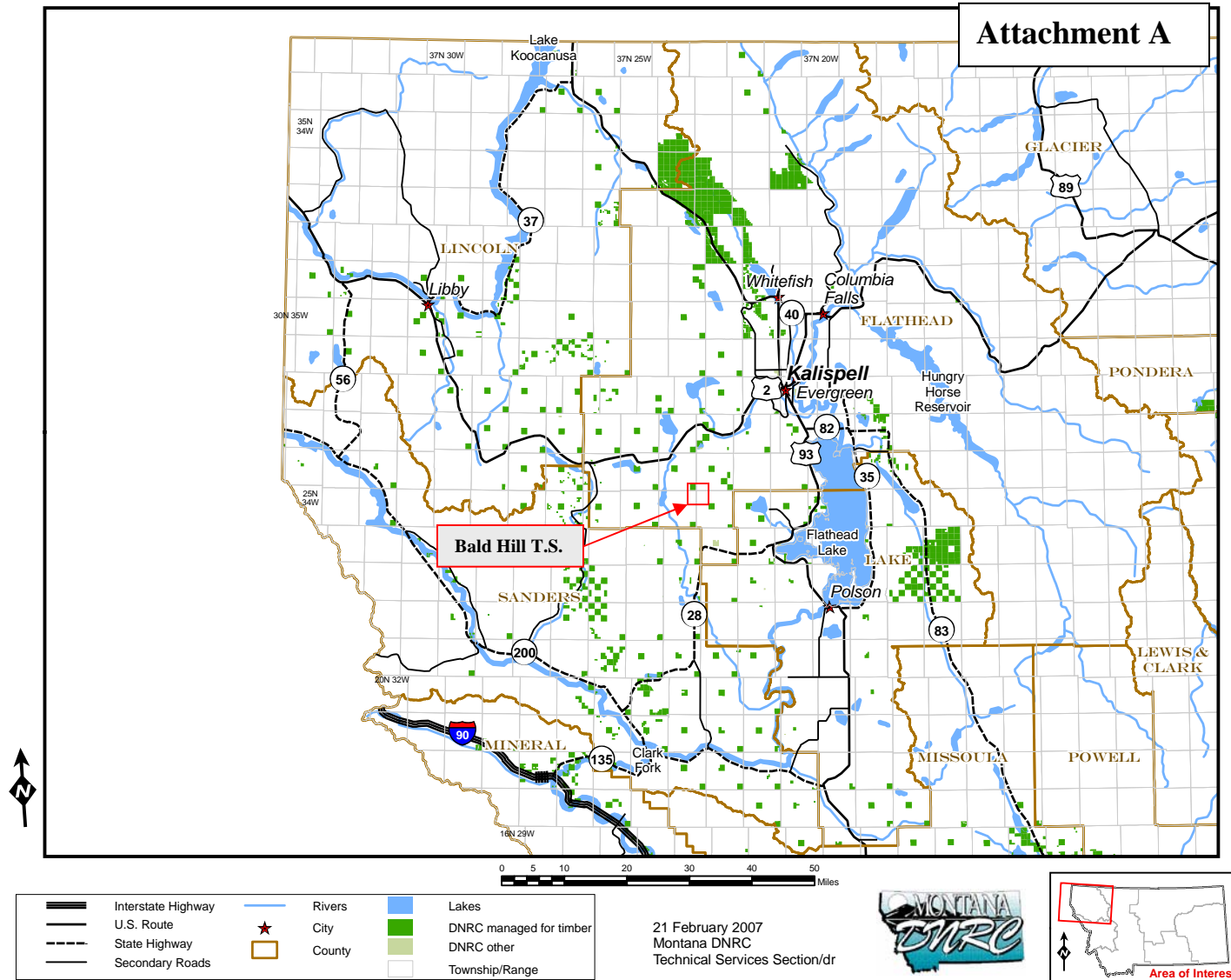


0 1 2 3
Miles

Attachment A



Attachment A



Bald Hill Cutting Unit Map
461 Acres
Kalispell Unit
T26N - R24W-Sec 36



- 40-ft Contour Line
- Closed Road
- Open Road
- Haul Route
- Streams
- Sections
- SMZ
- Harvest Unit

Attachment A

